

# State - Boston Retirement System

## Preliminary Investment Performance "Flash" Report

Periods Ending 9/30/2011

Target Weight	Interim Target	Weight in Fund		Last Month	Last 3 Months	Year to-Date	Last Year	Annualized Returns		Ending Market Value	Annual Fee
								Three Years	Five Years		
100.0%	100.0%	100.0%	Composite (Gross)	-4.5%	-9.0%	-3.8%	2.2%	4.0%	2.5%	\$3,022,202,804	
			Composite (Net)	-4.5%	-9.1%	-4.0%	1.9%	3.7%	2.2%		
			Allocation Index	-4.8%	-9.3%	-5.1%	0.7%	3.5%	2.1%		
			Policy Index	-5.1%	-9.3%	-4.1%	1.9%	3.8%	2.1%		
			PRIT Core Fund/Teachers*	-4.5%	-8.9%	-3.5%	2.4%	n/a	n/a	\$1,157,384,217	
			PRIT Core Fund	-4.5%	-8.9%	-3.5%	2.4%	2.6%	1.7%		
			50% MSCI ACWI/50% CITI WGBI	-5.7%	-7.8%	-3.6%	-0.3%	5.0%	3.7%		
45.0%	50.0%	45.4%	Total Equity							\$1,372,567,588	
20.0%	21.0%	20.0%	Large Cap Equity Composite	-7.7%	-15.4%	-9.7%	0.9%	1.3%	-0.7%	\$604,652,478	
		1.1%	SSgA Russell 3000 Index	-7.7%	-15.2%	-9.8%	0.7%	1.6%	-0.8%	\$32,289,056	0.03%
		3.3%	Rhumbline Advisors	-7.0%	-13.8%	-8.6%	1.1%	1.5%	-1.0%	\$98,283,158	0.07%
		3.0%	J&W Seligman	-7.7%	-17.8%	-11.2%	0.1%	0.4%	0.2%	\$90,650,245	0.42%
		1.6%	Zevebergen Capital	-11.0%	-21.4%	-15.8%	-5.1%	6.0%	4.3%	\$48,766,081	0.79%
		2.3%	Intech	-8.2%	-15.2%	-7.4%	4.4%	3.9%	n/a	\$68,070,633	0.47%
		4.1%	DE Shaw Core Enhanced	-6.9%	-13.4%	-8.3%	1.8%	n/a	n/a	\$124,742,577	0.09%
		2.4%	DE Shaw 130/30	-7.4%	-13.9%	-8.7%	1.5%	n/a	n/a	\$72,258,440	0.78%
		2.3%	JP Morgan 130/30	-7.6%	-15.5%	-11.8%	-1.0%	n/a	n/a	\$69,592,288	0.80%
			S&P 500	-7.0%	-13.9%	-8.7%	1.1%	1.2%	-1.2%		
			Russell 1000	-7.5%	-14.7%	-9.2%	0.9%	1.6%	-0.9%		
			Russell 1000 Value	-7.6%	-16.2%	-11.2%	-1.9%	-1.5%	-3.5%		
			Russell 1000 Growth	-7.4%	-13.1%	-7.2%	3.8%	4.7%	1.6%		
5.0%	7.0%	5.9%	Small Cap Equity Composite	-10.5%	-21.5%	-14.2%	-0.3%	3.7%	3.2%	\$177,343,055	
		2.6%	The Boston Company	-9.5%	-20.2%	-17.5%	-7.1%	-0.4%	0.6%	\$79,949,329	0.82%
		3.2%	Westfield Capital Management	-11.3%	-22.6%	-11.6%	5.8%	7.8%	6.2%	\$97,393,726	0.78%
			Russell 2000	-11.2%	-21.9%	-17.0%	-3.5%	-0.4%	-1.0%		
			Russell 2000 Value	-10.9%	-21.5%	-18.5%	-6.0%	-2.8%	-3.1%		
			Russell 2000 Growth	-11.5%	-22.2%	-15.6%	-1.1%	2.1%	1.0%		
			Russell 2500	-10.8%	-21.2%	-14.9%	-2.2%	2.2%	0.2%		
20.0%	22.0%	19.5%	Int'l Equity Composite	-11.8%	-21.0%	-17.0%	-10.7%	2.2%	-0.9%	\$590,572,055	
		5.2%	The Boston Company Int'l	-10.0%	-20.4%	-18.1%	-12.4%	0.1%	-3.3%	\$156,114,879	0.41%
		5.6%	Panagora Asset Management	-10.1%	-20.0%	-14.1%	-8.1%	0.9%	-2.3%	\$167,777,018	0.10%
		4.5%	Fisher	-13.9%	-24.0%	-18.1%	-9.0%	1.0%	-1.3%	\$135,302,654	0.56%
		2.5%	Alliance	-15.5%	-24.1%	-24.7%	-19.2%	6.2%	3.7%	\$75,554,801	1.00%
		1.8%	Vontobel	-11.6%	-13.2%	-7.4%	-3.5%	15.2%	11.6%	\$55,822,702	0.75%
			MSCI EAFE (NET)	-9.5%	-19.0%	-15.0%	-9.4%	-1.1%	-3.5%		
			MSCI Emerging Markets	-14.6%	-22.6%	-21.9%	-16.1%	6.3%	4.9%		

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								Three Years	Five Years		
31.0%	28.0%	28.3%	<b>Total Fixed Income</b>							<b>\$855,834,012</b>	
16.0%	14.0%	15.2%	<b>Core Fixed Income</b>	1.0%	4.3%	7.5%	5.9%	9.9%	7.3%	<b>\$459,542,467</b>	
		2.9%	SSgA Bond Market Index	0.7%	3.8%	6.6%	5.3%	8.0%	6.6%	\$88,212,915	0.05%
		5.3%	Richmond Capital Management	1.5%	5.1%	8.3%	6.0%	11.5%	7.2%	\$158,951,030	0.14%
		5.6%	Wells Asset Management	0.7%	3.8%	7.3%	6.2%	10.1%	8.1%	\$169,640,904	0.20%
		1.4%	Loomis Sayles Bank Loan	1.3%	-2.6%	-0.3%	2.4%	6.2%	n/a	\$42,737,618	0.45%
			BC Aggregate	0.7%	3.8%	6.6%	5.3%	8.0%	6.5%		
6.0%	6.0%	6.8%	<b>High Yield Income</b>	-1.3%	-2.7%	0.8%	3.9%	11.7%	6.9%	<b>\$204,497,853</b>	
		4.8%	Fountain Capital Management	-1.9%	-3.2%	0.5%	3.7%	11.5%	6.8%	\$144,939,155	0.46%
		1.3%	Aladdin Credit Opportunities <sup>1</sup>	n/a	n/a	n/a	n/a	n/a	n/a	\$39,455,437	0.45%
		0.4%	Golden Tree <sup>2</sup>	n/a	n/a	n/a	n/a	n/a	n/a	\$10,725,020	0.45%
			BC High Yield	-2.9%	-5.2%	-0.9%	2.3%	10.4%	5.1%		
		0.3%	Perella Weinberg <sup>2</sup>	n/a	n/a	n/a	n/a	n/a	n/a	\$9,378,241	
			HFRI Fixed Income Asset Backed	-0.5%	0.1%	6.1%	8.7%	12.5%	8.3%		
4.0%	4.0%	6.3%	<b>Global Fixed Income</b>	-4.2%	-1.1%	3.8%	4.0%	10.9%	8.2%	<b>\$191,793,692</b>	
		6.3%	Loomis Sayles	-4.2%	-1.1%	3.8%	4.0%	10.9%	8.2%	\$191,793,692	0.27%
			Citigroup WGBI	-1.9%	2.4%	6.5%	4.6%	7.7%	7.5%		
5.0%	4.0%	0.0%	<b>New Fixed Income Mandate</b>								
24.0%	22.0%	22.4%	<b>Total Alternative Assets</b>							<b>\$675,934,330</b>	
9.0%	9.0%	6.4%	<b>Hedge Fund Composite <sup>3</sup></b>	-2.8%	-5.5%	-3.9%	-0.9%	2.1%	1.4%	<b>\$194,735,337</b>	
		1.7%	Mesirow Absolute Return Class J <sup>4</sup>	-3.4%	-8.0%	-4.8%	-1.0%	1.3%	0.9%	\$50,518,433	
		0.2%	Ivy Maplewood Associates II LP <sup>5</sup>	n/a	n/a	n/a	n/a	n/a	n/a	\$5,121,058	
		1.3%	Federal Street Offshore LTD <sup>4</sup>	-1.7%	-5.1%	-5.1%	-3.0%	0.2%	n/a	\$39,719,342	
		1.4%	GAM	-1.9%	-3.7%	-3.7%	-1.5%	-1.7%	n/a	\$42,098,570	
		1.9%	Permal	-4.0%	-6.5%	-4.0%	0.5%	7.0%	n/a	\$57,277,934	
			HRFI HFoF	-2.8%	-5.0%	-5.3%	-1.8%	0.1%	0.4%		
0.0%	0.0%	3.9%	<b>Cash</b>	0.0%	0.0%	0.0%	0.0%	0.4%	1.9%	<b>\$117,866,873</b>	
10.0%	8.0%	10.1%	<b>Real Estate IRR <sup>6</sup></b>	Committed Capital	Cumulative Distribution	Contributed Capital	QTR	Last Year	Last 3 Years	Valuation	
				\$ 620,804,228	\$ 326,031,546	\$ 529,372,627	5.5%	21.5%	-10.5%	\$306,422,962	
5.0%	5.0%	5.8%	<b>Private Equity IRR <sup>6</sup></b>								
				\$ 443,354,264	\$ 260,847,731	\$ 329,878,652	3.5%	17.0%	3.3%	\$174,776,031	



<sup>1</sup> Aladdin market value as of 8/31/2011 +/- subsequent calls/distributions.

<sup>2</sup> Perella Weinberg and Golden Tree market values as of 6/30/2011 +/- subsequent calls/distributions.

<sup>3</sup> All hedge funds values are net of fees.

<sup>4</sup> Perella, Golden Tree, Ivy, PE & RE report on a quarterly basis.

<sup>4</sup> Ending market values and performance for Mesirow and Federal Street are estimated and preliminary.

<sup>5</sup> Ivy ending market value as of 12/31/2010 adjusted for subsequent distributions.

<sup>6</sup> Real Estate and Private Equity valuations are as of 6/30/2011.

\* PRIM market value as of 8/31/2011